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IN THE

Supreme Court of the United States

OCTOBER TERM, 1957.

No. 836

JAMES C. HOBBS,
Petitioner,

vs.

WISCONSIN POWER & LIGHT COMPANY,
and
THE WM. POWELL COMPANY,
Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI.

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RESPONDENTS' STATEMENT OF THE CASE.

This is an ordinary patent infringement action brought by Petitioner. The complaint charged infringement of two patents by valves manufactured by The Wm. Powell Company and sold to and used by Wisconsin Power & Light Company. The District Court saw and heard testimony of expert witnesses for each of the parties, saw demonstrations, and after an extended hearing found (3 App. 1407-1423) that neither patent was valid and that neither was infringed. The Court of Appeals for the Seventh Circuit gave extensive and thorough consideration to the

issues and agreed with the trial court that neither patent was valid and neither was infringed (Petition, pp. 23-42).

The Statement of the Case in the Petition (pp. 4-10) does not adequately make reference to the controlling facts upon which both the trial court and the Court of Appeals relied. We make brief reference to some of them.

Patent Re. 23,272 is entitled "Valve Construction" (3 App. 1425). It discloses and claims valves having conventional valve parts with a "pressure seal" joint at the "bonnet". The "bonnet" or cover closes the opening in the valve body through which the internal parts are inserted. Commonly used joints securing the bonnet to the body employed flanges which could be bolted together, or a threaded screw joint, or a union joint, or a simple weld (Fishleigh Charts Nos. 2 and 3, Ex. 43, 2 App. 930, 931). The alleged novelty was in substituting a "pressure seal" joint, *i.e.*, one in which the internal pressure is utilized in sealing, and as the pressure increases the tightness of sealing increases.

Both the trial court and the Court of Appeals held the claims in issue (1 to 10, 12 to 15, 17, 19, 20, 22 and 23) to be invalid because the Petitioner was not the original and first inventor, because the patent claimed a mere aggregation of old elements which amounted at most to an exhausted combination, and because of anticipation and want of invention.

The proofs show that the idea or principle of the alleged invention of patent Re. 23,272, *i.e.*, a high pressure valve with a pressure seal joint, was disclosed to Petitioner at least as early as March, 1937. The March, 1937 issue of Chemical & Metallurgical Engineering contained an advertisement soliciting licensees for the Bredtschneider patent No. 2,029,606, a patent on a self-sealing high pres-

sure joint (Ex. 40, Ex. Vol. p. 21; 2 App. 201). The advertisement stated that the joint utilized "interior pressure to secure absolute tightness, even under varying pressure and temperature conditions, in high pressure vessels, pumps, valves and pipe lines". The advertisement mentioned that the joint had been proven in practice in numerous installations. On March 22, 1937, Petitioner wrote the advertiser, asking for the basis upon which a license could be obtained (Ex. 220, Ex. Vol. p. 183; 2 App. 802). The response to Petitioner, dated March 26, 1937 (Ex. 221, Ex. Vol. p. 184; 2 App. 802) quoted the royalty rates, explained the principle of the self-sealing joint, mentioned that it had been installed on many different items of equipment, including "High Pressure Valves and Couplings", and enclosed a sales circular, (Ex. 222, Ex. Vol. p. 186; 2 App. 802), which further explained the joint. Petitioner wrote just three days later inquiring as to whether there was an installation of such a joint "in this country" (Ex. 223, Ex. Vol. p. 187; 2 App. 802). Petitioner was advised that there was no installation in the United States since the device had only recently been introduced to this market (Ex. 224, Ex. Vol. p. 188; 2 App. 802).*

Later, Petitioner had a sketch prepared showing the pressure seal substituted at the bonnet joint of a valve (Ex. 52, Ex. Vol. p. 36; 1 App. 326). He showed this sketch to various valve manufacturers and ultimately Respondent Powell made valves for Petitioner's employer in which pressure seals were employed. Petitioner neither

* The author, who had been recently employed as United States representative of the German owner of the patent, apparently was not aware of the earlier shipment of an autoclave embodying the pressure seal joint from Germany to the United States (Ex. 174, 192, 235A, 235B, 236A, 236B, 237A, Ex. Vol. p. 154A, 195-196; 3 App. 1119-1151, 1203-1229).

had the original concept nor made the first valve. He merely followed the instructions of the advertisement he had seen, and other information he had learned from the author of the advertisement and made a sketch. Even his sketch was poor in design, unintelligble, and inoperative to secure the desired results (3 App. 956).

The evidence upon which the trial court and the Court of Appeals each found there was no invention in patent Re. 23,272 included proof that valves in common use employed various types of joints between the body and the member closing the opening in the body through which the internal parts of the valve were inserted. Such different types of joints included flanged bonnet joints, welded bonnet joints, screw bonnet joints, and union bonnet joints (2 App. 930, 931). Even pressure seal joints were known (2 App. 785-798, 817-838). Representations of the prior art pressure seals are reproduced on Fishleigh Chart No. 1 (Book of Charts). The art also knew of valves containing pressure seal closures between the bonnet and body, as seen from the figures of the Forbes patent No. 1,631,586 and the Heine et al. German patent No. 511,843, reproduced on Fishleigh Chart No. 1 (Book of Charts), and the Cocard Italian patent No. 372,289, reproduced on Fishleigh Chart No. 2 (Book of Charts; Finding 10, 3 App. 1409).

On all of the evidence, including testimony of expert witnesses in open court, both the trial court and the Court of Appeals found that invention would not be required to substitute a different type of pressure seal joint for any of the already known joints in valves. On the same and additional evidence, both courts found that Petitioner had not changed the functioning of the old valve parts and had not changed the functioning of the old pressure seal parts. He had merely aggregated the joint

elements and the valve elements. Further, the courts held that at most Petitioner had reclaimed an old valve combination with an improved joint.

Patent Re. 23,137 (3 App. 1434) is entitled "Pipe Coupling". It relates to a pressure seal joint in which a wedge shaped gasket is employed between an inner cylindrical surface on a body and a conical surface on an inner member being sealed to the body. The gasket is formed with a smaller angle between its faces than the angle between the cylindrical and conical surfaces being sealed, thus providing a line contact for initial sealing. Both the District Court (3 App. 1419-1420) and the Court of Appeals (Petition, p. 35-38, 41) held that the claims in issue (1, 5, 6 and 7) of this patent were invalid for anticipation and lack of invention and were not infringed. These findings were based upon evidence showing that the identical joint with a differential angle between the gasket and the conical face was old in a plurality of publications

The Bridgman disclosures (Ex. Vol. 71; 2 App. 614-615) showed a differential angle of about 10 degrees. The Curtis prior publication "Fixed Nitrogen" showed a differential angle for his purpose of 1 degree (Ex. Vol. 78-79, 82; 2 App. 614-615). On this and additional evidence, including testimony of expert witnesses in open court, both the trial court and the Court of Appeals found that invention would not be required and that it would be obvious for one to try "a small angle" (as in Claims 5, 6 and 7 of patent Re. 23,137) or "an angle of approximately 2 degrees" (as in Claim 1 of patent Re. 23,137).

The trial court and the Court of Appeals each found that neither of the patents was infringed because in each instance the accused valves failed to embody the elements of the claims or equivalents thereof.

ARGUMENT.

The Petition is answered by the opinion of the Court of Appeals (Petition, pp. 23-41). That opinion shows that Petitioner's patents were held invalid and not infringed pursuant to well established, unambiguous principles of patent law. No novel problems of law or application thereof arose. The result turned on the facts, and these facts two courts have held adverse to Petitioner.

The Petition urges that the writ of certiorari should be granted on the basis of alleged conflicts with decisions of other Courts of Appeals and this Court. There is no conflict of decision with respect to the patents here involved. The Petition urges at most, that both the trial court and the Court of Appeals in instances applied principles of patent law to the facts of this case in a way that differs from the application of those principles by other courts to other facts. However, the decisions of the trial court and the Court of Appeals show that those courts had in mind all relevant considerations. One holding of the District Court and the Court of Appeals as to invalidity of the principal patent in suit, Re. 23,272, has not been questioned by the Petition. That is that Petitioner was not the original and first inventor of the subject matter disclosed and claimed (3 App. 1414-1417, 1421; Petition, pp. 27-28).

Alleged Conflict with the Court of Appeals for the Second Circuit.

(Petition, pp. 10 to 15)

The first conflict alleged by Petitioner is said to be with the decision of the Court of Appeals for the Second Circuit in *Lyon* v. *Bausch & Lomb*, 224 F. 2d 530, 535. There

is no conflict as to the applicable law. In *Lyon* v. *Bausch & Lomb*, the Court recognized that on the issue of invention the test is that stated by statute (35 U.S.C. 103) as to whether such modification of the prior art as the patentee might have accomplished would have been obvious to one having ordinary skill in the art. On the facts there presented, the Court found as a fact that the invention there involved would not have been obvious. In the present case, the courts likewise applied the same test of obviousness. However, they found as a fact that the changes, if any, made by Petitioner would have been obvious.

The Petition (pp. 11-15) suggests the question of whether the Patent Codification Act in Section 103 of Title 35 U.S.C. changed the standard of invention. Whatever standard of invention or obviousness be applied, the answer on this record will be the same. The evidence, including the testimony of expert witnesses, some of which is referred to above, fully supports the concurring findings of the Trial Court and the Court of Appeals.

The alleged conflict as constructed by Petitioner is based upon a factual dispute which was determined by both courts adversely to Petitioner's contentions. The Petition (pp. 5-9) urges a plurality of factual *indicia* as to non-obviousness and asserts that the Court of Appeals held that such "objective evidence" must be ignored (Petition, p. 11). The Court of Appeals (Petition, pp. 31-32) considered the facts and held that the "so-called objective tests" are "not persuasive or impressive in the record if examined closely" (Petition, p. 31). The Court of Appeals analyzed the evidence, and stated (Petition, pp. 31-32):

> "The evidence is not clear that appellant's efforts have alone met with success in this area, nor has the bolted bonnet valve fallen into disuse as a consequence of the alleged invention. In fact, the trial

court found that these valves are still offered for use as particularly well-suited for high pressure, high temperature service, and also that the welded bonnet valve used in the prior art for high temperature, high pressure service, is now being manufactured and sold to meet conditions as severe or more severe than those of valves manufactured by appellant's licensees. The evidence of commercial success and license acceptance of the patent is particularly emphasized. The record shows two licenses, each involving a number of patents of appellant, indicating possibly that as to a group of patents a manufacturer for business reasons would rather pay royalty than be involved in litigation. See *Thropp's Sons Co.* v. *Seiberling*, 264 U. S. 320, 329 (1924). The skepticism to which appellant refers was directed in the main toward the worth of his valve design submitted to manufacturers for bids. Powell Company explained its license acceptance of the patent, a license which it has since voluntarily abandoned and for which it paid the minimum of $5000 royalty, as a favor to appellant who needed three manufacturers to bid on some Navy contracts and had only two. It should finally be noted that objective considerations cannot lend validity to a patent where as here invention is plainly lacking. See *Great A. & P. Tea Co.* v. *Supermarket Equipment Corp.*, *supra*; *Goldman* v. *Bobins*, 7 Cir., 245 F. 2d 840, 844 (1957)."

The Trial Court and the Court of Appeals concurred in finding that Petitioner had contributed nothing new and done nothing that was not obvious. These concurrent findings were not "clearly erroneous". As to patent Re. 23,272, what someone else has used and advertised is obvious to those of ordinary skill in the art. One reading the advertisement and following its suggestions has not done the unobvious. One who reads the advertisement and asks someone else to do what it says has done even less.

As to patent Re. 23,137, when the prior art shows the securing of a tight pressure seal by differential angles of 1 degree and 10 degrees, it is obvious to one skilled in the art to try "a small angle" (Claims 5, 6 and 7) or "an angle of approximately 2 degrees" (Claim 1). Concurring findings of the Trial Court and Court of Appeals to this effect present no problem for consideration by this Court.

Alleged Conflict with the Court of Appeals for the Fourth Circuit.

(Petition, pp. 15 to 17)

The Petition (pp. 15-17) seeks to find a conflict between the decision herein and that of the Court of Appeals for the Fourth Circuit in *Otto* v. *Koppers Company*, 246 F. 2d 789, 800, 801. This conflict is said to be a legal one as to the effect of pertinent prior art which was not considered by the Patent Office. The Fourth Circuit decision stated that if the additional references (not of record in the Patent Office) do not involve some substantial element which was not considered by the Patent Office, then the failure of the Patent Office to cite them does not weaken the presumption of validity. The decision of the Court of Appeals in this case does not announce a different rule. It merely deals with different facts. The Patent Office did not cite Exhibit 40 (Ex. Vol. 21; 1 App. 201), which recited that the Bredtschneider pressure seal joint had been proven in valves. The Patent Office did not know that the advantages asserted by the patentee in his patent application were disclosed in Exhibit 40 and the information he learned from its author when he wrote inquiring as to license fees (Ex. 220-223, Ex. Vol. pp. 183-187; 2 App. 802). The Patent Office did not have before it the Tongue article (Ex. 113, Ex. Vol. 71-74; 2 App. 614) or the prior art valves with pressure

seal joints, Heine German Patent No. 511,843, and Cocard Italian patent No. 327,289 (See Patent Book, Tabs 21, 22, 24 and 25). In allowing patent Re. 23,137, the Patent Office did not have before it the Bridgman articles (Ex. 116 and 117, Ex. Vol. pp. 85-108; 2 App. 614-615), the Bredtschneider patent, or the Tongue article (Ex. 113, Ex. Vol. 71-74; 2 App. 614). None of this prior art and knowledge considered pertinent by both the District Court and the Court of Appeals was before the Patent Office.

The Court of Appeals in this case applied the same law applied by the Court of Appeals for the Fourth Circuit in *Otto* v. *Koppers Company*, 246 F. 2d 789, but to different facts.

The Importance of the Questions Presented.

(Petition, pp. 18-19)

In an effort to balloon the factual disputes between the parties, on which two courts have held adversely to Petitioner's contentions, into public problems of "pressing importance", the Petition would analyze the operations of the Patent Office since 1880. The Petition (pp. 18-19), referring to charts at the start of the Appendix, laments what it terms a "decline in invention and scientific progress" as "the inevitable result of hostility to patents". Granting the writ of certiorari in this case is by inference proposed as a remedy. Not so. As this Court stated in *Atlantic Works* v. *Brady*, 107 U.S. 192, 200:

> "The design of the patent laws is to reward those who made some substantial discovery or invention which adds to our knowledge and makes a step in advance in the useful arts. Such inventors are worthy of all favor. It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade of an idea which would naturally and spontaneously occur to any skilled

> mechanic or operator in the ordinary progress of manufactures. Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country without contributing anything to the real advancement of the arts. It embarrasses the honest pursuit of business with fears and apprehension of concealed liens and unknown liabilities to lawsuits and vexatious accountings for profits made in good faith."

The Petitioner in the two patents in suit disclosed no substantial discovery or invention. He added no knowledge and contributed no new step. On the contrary, as the proofs show, he learned of an improved pressure seal joint invented by another, learned that it had been successfully used in valves by others, took steps to have his employer order such valves designed, engineered and manufactured by Respondent Powell — and then filed patent applications in his own name.

Other Rulings by the Court Below.

(Petition, pp. 19-21)

The Petition urges (pp. 19-20) that new results were achieved by the structure of patent Re. 23,272 and therefore that the decisions of this Court relied on by the Court of Appeals in finding "aggregation" and "old combination" are not applicable. Again, Petitioner differs with the Court of Appeals, not as to what the law is, but as to what the facts are. Both the District Court and the Court of Appeals found that the old valve elements operate as they had always done and that the old ele-

ments of the pressure seal joint operate as they had always done. As the Court of Appeals expressed it (Petition, p. 34):

> "The parts of this alleged invention are old and the bringing together of these old elements produces no new result. The change in the joint brought about no change of function of the valve elements or joint elements, and there is no interaction between the various valve and closure elements."

Further, the Court of Appeals stated (Petition, pp. 34 and 35):

> "The alleged invention is at best an improvement of one part of an old combination. Valves with all the valve parts claimed by Hobbs and with various types of joints, including pressure seals, were old to the art. The substitution of a specific pressure seal does not warrant the patent. See *Lincoln Engineering Co.* v. *Stewart-Warner Corp.*, 303 U.S. 545, 549-550, where the Court states: 'The improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in combination.'"

The Petition implies (pp. 20-21) that the Court of Appeals ignored the pronouncement of this Court in *Graver Manufacturing Co.* v. *Linde Co.*, 339 U.S. 605, 607. To the contrary, the Court of Appeals carefully considered the law as announced in that decision (Petition, pp. 39-40) pointing out that "equivalency must be determined against the context of the patent, the prior art, and the particular circumstances of the case". The Court of Appeals analyzed the claims of patent Re. 23,272 pointing out where the structure of the accused valves differed in construction from the structure of the claims in suit and approved the findings of the District Court

to the same effect (3 App. 1418-1419). As to patent Re. 23,137, the District Court and the Court of Appeals found that the accused valve sealed between two conical surfaces, as opposed to the structure of the claims wherein sealing was accomplished between a conical surface and a cylindrical surface. In the Patent Office Petitioner abandoned any claim to structures, like Respondents', in which the the seal is effected between two conical surfaces (3 App. 1420-1421; Petition pp. 40-41).

The Court of Appeals also followed this Court's pronouncement in the *Graver Tank* case that infringement is a fact issue wherein the trial court's decision should not be disturbed unless clearly erroneous. (See Federal Rules of Civil Procedure, Rule 52(a)).

CONCLUSION.

For the reasons stated, the petition should be denied.

Respectfully submitted,

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